

## ARTICLE 9 - BUDGET

### 9.1 Preconstruction

The GC/CM shall review design drawings as previously described and produce an estimate of probable cost at each design phase. The estimate at 90% complete construction document will be the basis of establishing a negotiated MACC that is fair, reasonable, and within the available funds.

The GC/CM shall invoice monthly for pre-construction services and for construction in an amount proportionate to the total work completed. All invoices shall be on the state A-19 invoice form which can be found at:

<http://www.des.wa.gov/about/FormsPubs/Pages/Forms.aspx#Construction>

### 9.2 Construction

#### 9.2.1 GC/CM Cost Accounting

To ensure efficiency and accountability, a regular reporting and back-up system has been created. Through monthly submittals of budget control sheets by the GC/CM, the State Contracting Officer has the opportunity to provide checks and balances of the work

The GC/CM is required to provide a cost accounting of the MACC on a monthly basis, in a format acceptable to Engineering and Architectural Services. As a minimum each major element of work shall be tracked (i.e.: seismic repairs; site work, etc.).

Reviewing the GC/CM's monthly cost report and outstanding TCMs will enable the PM to assess actual and potential savings within the MACC.

The GC/CM will provide with the monthly invoice, a monthly report to the Project Manager for review of expenditures, tracking of subcontractors, and contract changes. The report shall, at a minimum, track the following using a spreadsheet format:

- Budget - This column shall reflect the amounts agreed to between the PM and the GC/CM. It shall reflect the amount shown on the contract for the MACC.
- Bid Package - This column shall show the amounts encumbered less change orders or team change memos
- Team Change Memos - This column shall show team change memo amounts
- Change Orders - This column shall reflect the amounts of addition or deletion from the contract amount
- Variance - This column shall show the budget less the sub-contract, change orders, and team change memos
- Expended to Date - This column shall show the amounts paid the GC/CM

- Paid To Date - This column shall show that amount recorded on the last monthly report shown as "Paid To Date"
- Earned To Date - This column shall show the amount "Earned To Date"
- Percent of Budget – This column shall show that amount of the negotiated budget expended
- Anticipated Additional Needed To Completion - This column shall show that amount the GC/CM feels may be needed to complete the project. The amount should typically account for anticipated team change memos.

The GC/CM shall list, vertically on the sheet, a breakdown of the information by bid package and by identifiable pieces of the project. The breakdown shall include:

- MACC
- Specified General Conditions charges
- Buy-out savings
- GC/CM Fee

### **9.2.2 Budget Control**

A master budget sheet for each bid package shall identify the status of categories for each line item entry as follows:

- Original MACC
- Allowances
- Current budget
- Obligations
- Expenditures (paid to date)
- Remaining balances

The MACC is finalized at Notice to Proceed (NTP) after negotiating the MACC. Once established, the MACC does not change unless an Owner requested change order (CO) is approved.

The GC/CM shall update the current budget on an on-going basis and deliver a formal update monthly to the E&AS Project Manager. Obligations represent fiscal commitments known to the PM. The current budget reflects modifications to the MACC on an item-for-item basis. Change order summaries shall tie to budget control sheets for each project

### 9.2.3 Payment Summary

Monthly invoices shall be broken into the following major categories.

- Payment of the GC/CM Fee: The GC/CM's fee shall be paid in an amount proportionate to the total work completed
- Payment of the GC/CM's Specified General Conditions Work: These payments shall be made during the construction phase based upon an approved schedule of values and based on the GC/CM general conditions bid
- Payment of the Cost of the Work: Payments are made based on actual work in progress. In order to assess the actual work completed, the PM will require copies of all contracts between the sub-contractor. Each bid package shall have a schedule of values as described in the General Conditions for Construction, Section 6.02. The information regarding subcontractor payment shall be in a location accessible to the state, on request, for periodic audit. The GC/CM shall invoice on actual work progress.

Bid package costs shall reflect actual bid schedule of values plus any PM approved change orders or team change memos, based on actual work in place and accepted, or on materials stored on site or in a PM approved facility.

- Negotiated Support Services Work: The PM shall verify that all such billings are appropriate, and do not reflect work that falls under the category of Specified General Conditions work
- Allowances: The GC/CM may carry allowances for items approved by the PM at the time the MACC is negotiated. The PM shall verify that payments within these categories shall not exceed the agreed upon allowance limit without a PM approved change order. These allowances will be identified in the project budget.

All payment requests must have the signed and dated recommendation of the Architect. The PM determines the appropriateness of the billing and forwards invoice to the Owner for payment.

### 9.3 Diverse Businesses

A Sub-contractor list shall be submitted for each bid package within ten (10) days of subcontract award for review. From this list the GC/CM must indicate the firms that are Diverse Businesses. At the completion of each bid package work, the GC/CM shall submit an affidavit with the final payment, showing the subcontractor Diverse Business participation on the project. The affidavits shall identify the amounts invoiced and previously paid to Diverse Businesses, their names, and federal tax identification number. If the MWBE firm is self-identified that should be noted in lieu of the federal tax identification number.